



# LAKE HOLLYWOOD HOMEOWNER'S ASSOCIATION

October 22, 2017

Los Angeles City Council PLUM Committee  
Jose Huizar, Chair Person  
Marqueece Harris Dawson, Vice Chair  
Bob Blumenfeld  
Mitchell Englander  
Curren Price, Jr.  
200 North Spring Street  
Los Angeles, CA 90012

Re: Council Files 14-1635-S2, 14-1635-S3: Proposed Home-Sharing Ordinance

Dear Councilmembers Huizar, Harris Dawson, Blumenfeld, Englander and Price:

**The Lake Hollywood Homeowners Association opposes the Proposed Homesharing Ordinance that you are considering on Oct. 24, 2017 and urges you to vote against it.** Our community opposes this ordinance, because it fundamentally changes the character of neighborhoods zoned as residential, undermining the basic rationale that many residents in neighborhoods so zoned chose to live in an area like ours. That this is so is highlighted in the report, dated October 19, 2017 and prepared by Vincent Bertoni, the Director of Planning. At pages 3-4 of his report, he states:

“Zoning laws in most cities, including Los Angeles, have traditionally treated “transient” uses (properties inhabited for a period of less than 30 days) much differently than long-term residential uses. This distinction has roots in the original rationale for zoning laws-that an unchecked proliferation of commercial uses in a residential area can reduce its desirability as a place to live. In Los Angeles, transient uses such as hotels and apartment hotels are only permitted in commercial areas and higher density residential areas (R4 and R5 zones), normally through a Conditional Use Permit (CUP). **Allowing transient uses throughout the City marks a significant change from this principle with the potential for significant negative impacts given the rapid growth of this industry**”.  
(Emphasis added)

**Our Council District and a few others are the primary victims:**

As also shown by the Bertoni report, Council District 4, where we reside, has the largest number of active listings of any council district in the city. In our



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neighborhood a home on Arrowhead Drive was purchased in May or June of this year and now is used solely as an Air B&B. The owner neither lives nor intends to live in the home and rents it out for short term stays with nightly charges running between \$850 and over \$1500 per night. There has been a continuous stream of strangers staying in the house for a few days at a time, with up to 3-4 cars parked outside on occasion and a large number of people going in and out. This is not a mansion but a ranch style home built in the late 60s and now being advertised on Air B&B as having 10-12 beds.

### **Changes Character of Neighborhood:**

The Bertoni report shows that your committee has asked for increased home-sharing days, which only makes the proposed ordinance more offensive. The suggestion that limiting the permitted number of days a residence may be rented will balance the interests of the home-sharing homeowner with those of the neighborhood is nonsense. A residence that is rented out for a quarter to half the year changes the character of the neighborhood. Such a residence becomes a hotel, not a neighbor. That these are hotels is obvious in the proposed ordinance, which at p. 8 in Sec. 21.7.2 adds "Home Sharing" to the definition of "hotel". If Los Angeles needs more hotels, encourage construction of more hotels. Not only would that provide construction jobs, but it also would provide long-term jobs for all those working at the hotel. And such a solution would situate hotels in areas of the city that are appropriate for transients.

Additionally the statement that requiring that the home be a "primary residence" will somehow change the equation is also at odds with common sense. The primary residence definition (living in it 6 months per year) means that the owner may well not be in the residence at the time it is rented out. In fact the Bertoni report and its attachment show that 69% of the listings are whole house listings, meaning that in the vast majority of home sharing cases the owner is not at home when renting the home. This means that there is no neighbor available to which surrounding residents can turn when there are problems. As the Bertoni report states at page 2, the concentration of home sharing in a few neighborhoods of the city, most significantly in council district 4, potentially affects the stability of neighborhoods like ours.

### **Verification of Primary Residence—How Will It Work?**

The Bertoni report discusses verification of primary residence but does not explain how this will work when a corporation or partnership owns the residence.





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You need to discuss this with the Planning Department. In such cases, how will it assure that the same people, who own shares in different corporations or have interests in different partnerships, are not listing multiple homes on rental platforms?

### **Revenue and Enforcement—It Is Not Working:**

The Bertoni report discusses enforcement and states that the revenue raised by the city that will be devoted to enforcement will be sufficient for enforcement. How do we know that? The report does not discuss the amount of staff needed to enforce or the costs associated with that enforcement. Therefore the bald assertion that there would be sufficient funds is simply unsubstantiated. We also are not advised whether the report considers additional resources that the City Attorney would require to enforce. The report notes the small staffs in Santa Monica and San Francisco in contrast with the much larger staff in New York. Of course, Santa Monica and San Francisco are far smaller cities than Los Angeles and far more compact. Presumably Los Angeles would need a staff more akin to the size staff needed in New York City. The report also does not lay out whether those enforcement staffs are effective, and in fact Mr. Bertoni states at page 7:

“Many communities that have adopted STR regulations have found effective enforcement to be difficult. This is due in large part to the temporary and private nature of the use. Most cities have been unable to secure cooperation from hosting platforms to ensure that they will not list illegal STRs. This has put the onus on cities to devote resources to regulate STRs.”

And at page 9 of the report Mr. Bertoni indicates that the platforms have not clearly stated to what extent they will cooperate with the city of Los Angeles. Finally, it is unclear whether the city attorney is confident that the planned disbursement of most of the TOT for affordable housing is permissible under existing state law.

### **Vote No:**

If despite the overwhelming rationale for voting down the proposed ordinance, your committee decides to move forward, it should at a minimum do the following:

1. Require owners who are registering to give formal notice to neighbors within 500 feet in all directions, and in the case of condo complexes give notice to the Board of Directors and all other owners. Such notice should include information about how the neighbors can contact the city with



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their input. This would help assure that the homes being registered are in fact primary residences, because informed neighbors, if they care, could advise the city in cases in which the applicant does not “reside” in the home.

2. Modify the ordinance to comport with the request of Councilman Ryu that only home hosted (owner is in residence during rental) be permitted. Absent such a provision, which significantly enhances the likelihood that those renting will treat the rental like their own home in contrast to the current majority of situations where the owner is not in residence during a rental, it is clear that the provisions relating to primary residence verification and permitting 180 days of rentals per year do nothing to assure that residential neighborhoods will not be turned into hotel areas.

We who live in residential neighborhoods chose to live in a certain type of environment. If we wanted to live in more lively commercial or mixed use areas, we would have chosen to buy or rent in those areas. As the Bertoni report notes, the basic premise of existing zoning laws is that a residential area that permits hotels is less desirable to those of us who want to live in a residential environment.

We are unaware of any rationale for the proposed change in the zoning laws. If the city wants additional hotel taxes, encourage construction of new hotels in appropriate areas and do not impose hotels on existing residential neighborhoods. The proposed ordinance negatively impacts affordability in a city with insufficient housing and housing that the vast majority of the city's residents cannot afford. The proposed ordinance would enable real estate investors to ignore neighborhoods and make many neighborhoods potential hotel zones with a stream of strangers who have no interest whatsoever in the individual home- sharing property they are renting or the neighbors. You are elected to represent the residents of the city, not the tourist industry. So represent us by just voting “no”.

Best regards,





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